



Real Estate Report 2023

Investing in affordable housing and sustainable real estate with societal purpose





Investing for the long term, driven by impact

VP Vastgoed is an operating company of **VP Capital**, the single family office of the Van Puijenbroek family. The entrepreneurial history of this Belgian-Dutch family started almost 160 years ago in the textile industry, a sector in which the family business still has a strong market position. With a team of about 15 professionals, VP Capital manages the family's investments in various domains. The family has a long tradition in investing, where returns have always been understood in a broader sense than just financial. Today, VP Capital is an impact-first investor, focused on investments that help address the challenges we face in biodiversity, climate and social equality.

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Investing in *affordable housing and sustainable real estate with societal purpose*

It is with pride that we present our second Real Estate Report 2023. This report provides deep insight into our ongoing vision and real estate strategy, our refined investment and selection policies, as well as the continued construction, operation, performance and sustainability of our real estate portfolio.

Real estate remains an essential asset class within a family office's investment portfolio and is a key pillar. In addition to generating stable and predictable cash flows, real estate provides effective inflation protection with relatively limited risk.

Long-term vision

Our approach remains founded on a long-term vision with sustainability at its core. At VP Vastgoed, we strive for positive impact by investing in real estate that contributes to impact. This includes both ecological and social impact. Starting in 2024, we will focus specifically on real estate with a societal purpose, such as healthcare real estate or affordable housing. Our commitment focuses on developing sustainable, energy-efficient buildings that contribute to a better living environment.

Sustainability ambitions: high standards

Our sustainability ambitions have led us to set high standards for fund managers, new projects and new construction. Sustainability and impact remain crucial factors in our investment decisions.

Solutions to societal challenges

The real estate domain continues to evolve, with new players, materials, technologies and projects offering solutions to societal challenges such as making existing buildings more sustainable, improving access to affordable housing and promoting the more efficient use of raw materials and circular construction. We want to play an important role here by investing not only in real estate, but also in technologies ('proptech') to drive innovative solutions that improve the efficiency



and sustainability of real estate management, use and development. Not without reason, we have redefined our investment domain from 'real estate' to 'built environment' to create even more impact on spaces where people live, work and interact.

For all our stakeholders

This report is intended for all our stakeholders: family members, property owners, fund managers,

family offices and anyone with whom we have or want to build a real estate relationship.

We hope this report once again inspires and informs you about our role as a sustainable real estate investor.

Enjoy reading this report.



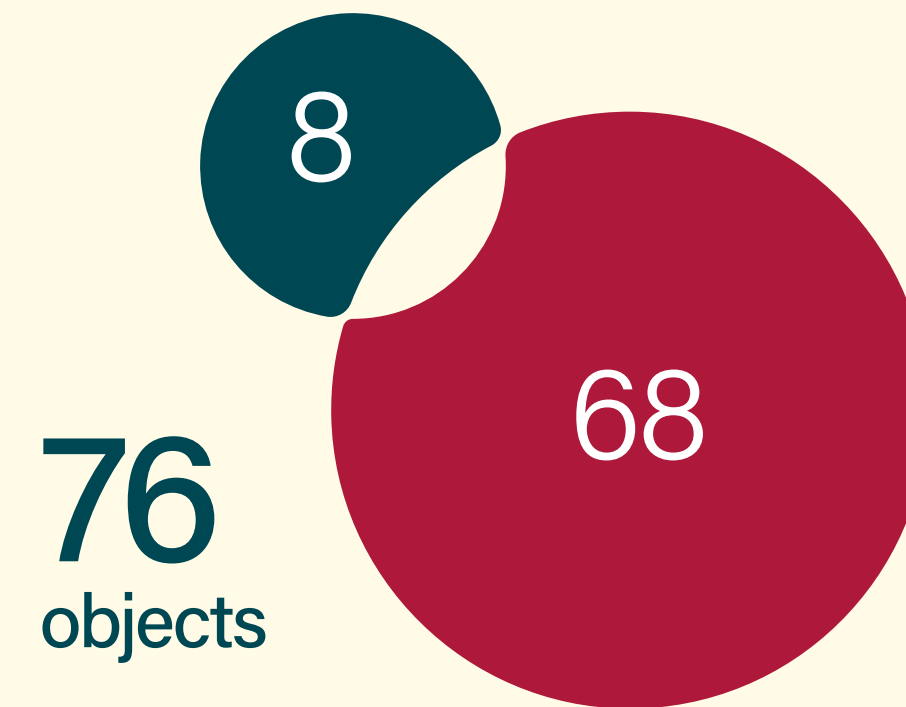
1. Meet VP Vastgoed: our real estate portfolio

Our property portfolio currently includes 76 real estate objects totalling 504,688 m² – largely through funds in which we hold only partial ownership. Our focus is largely on Dutch real estate that meets our investment criteria, but we do not exclude the rest of Western Europe.

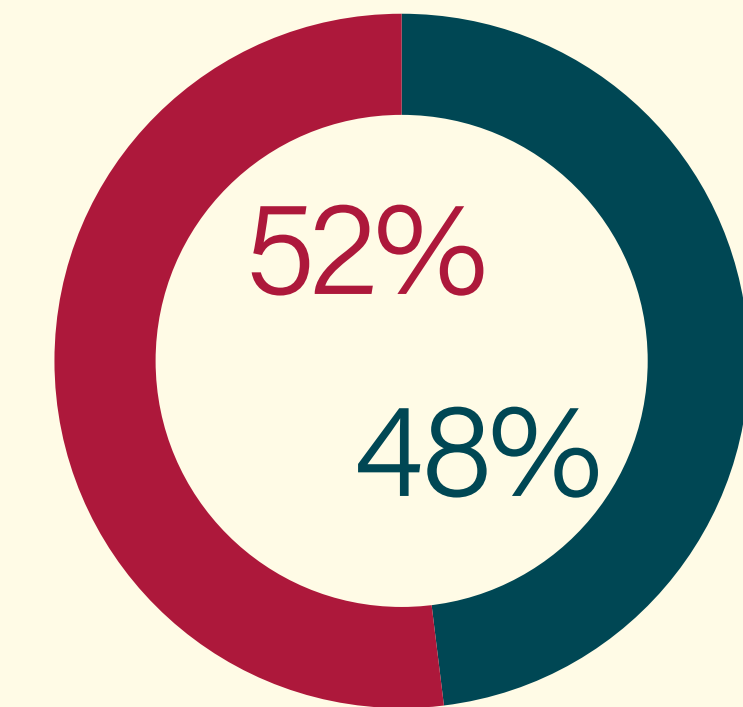
VP Vastgoed, as one of VP Capital's operating companies, invests exclusively in real estate, both direct and via funds. Conversely, all VP Capital's investments in real estate properties are made (directly and in funds) by VP Vastgoed.

- Direct investments
- Investments in funds

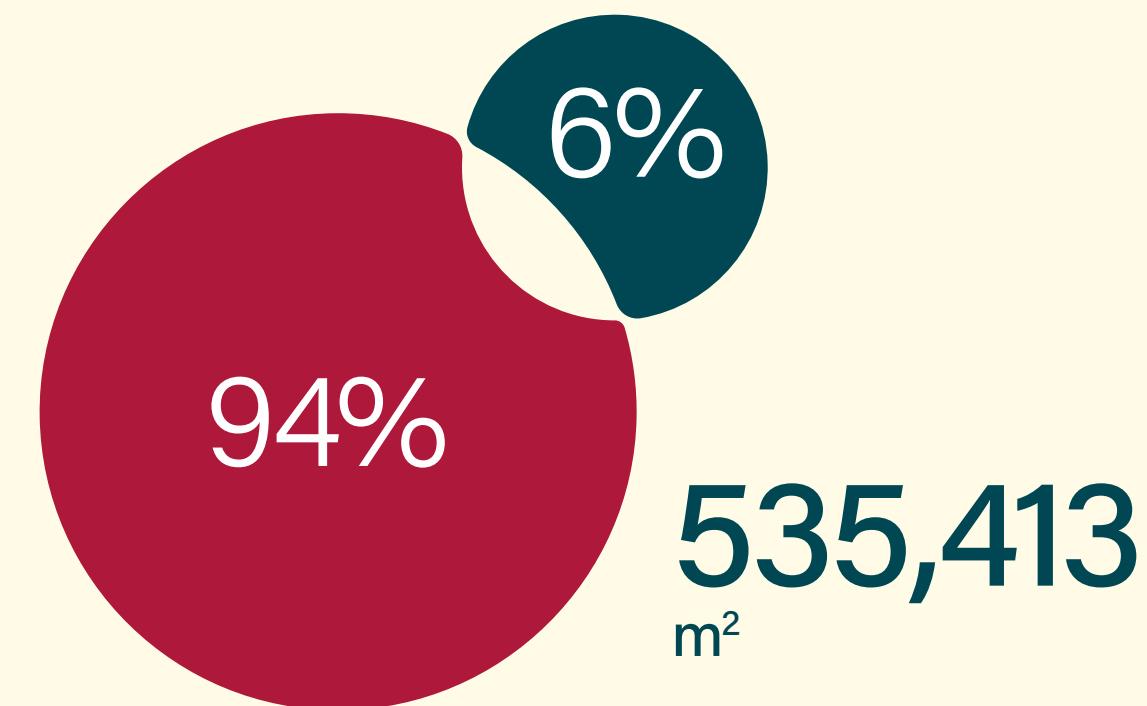
Number of objects



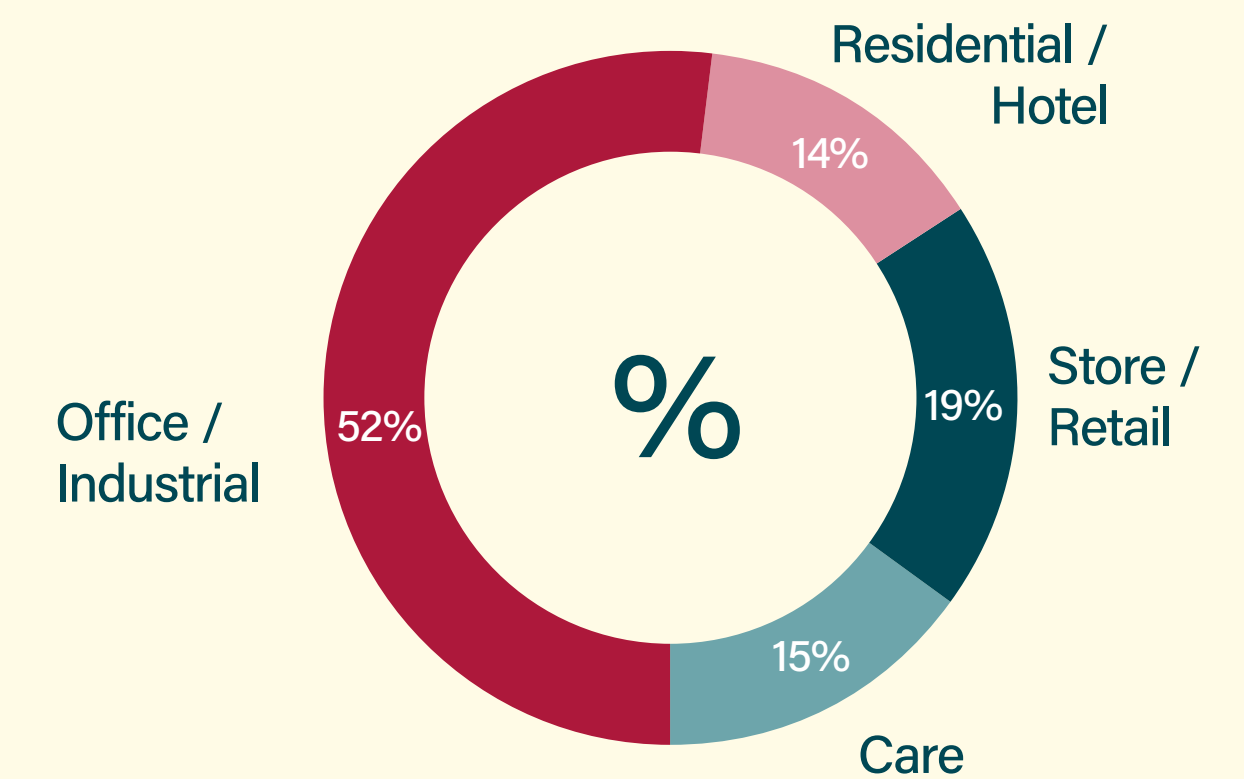
Invested capital



Total Net Usable Area*



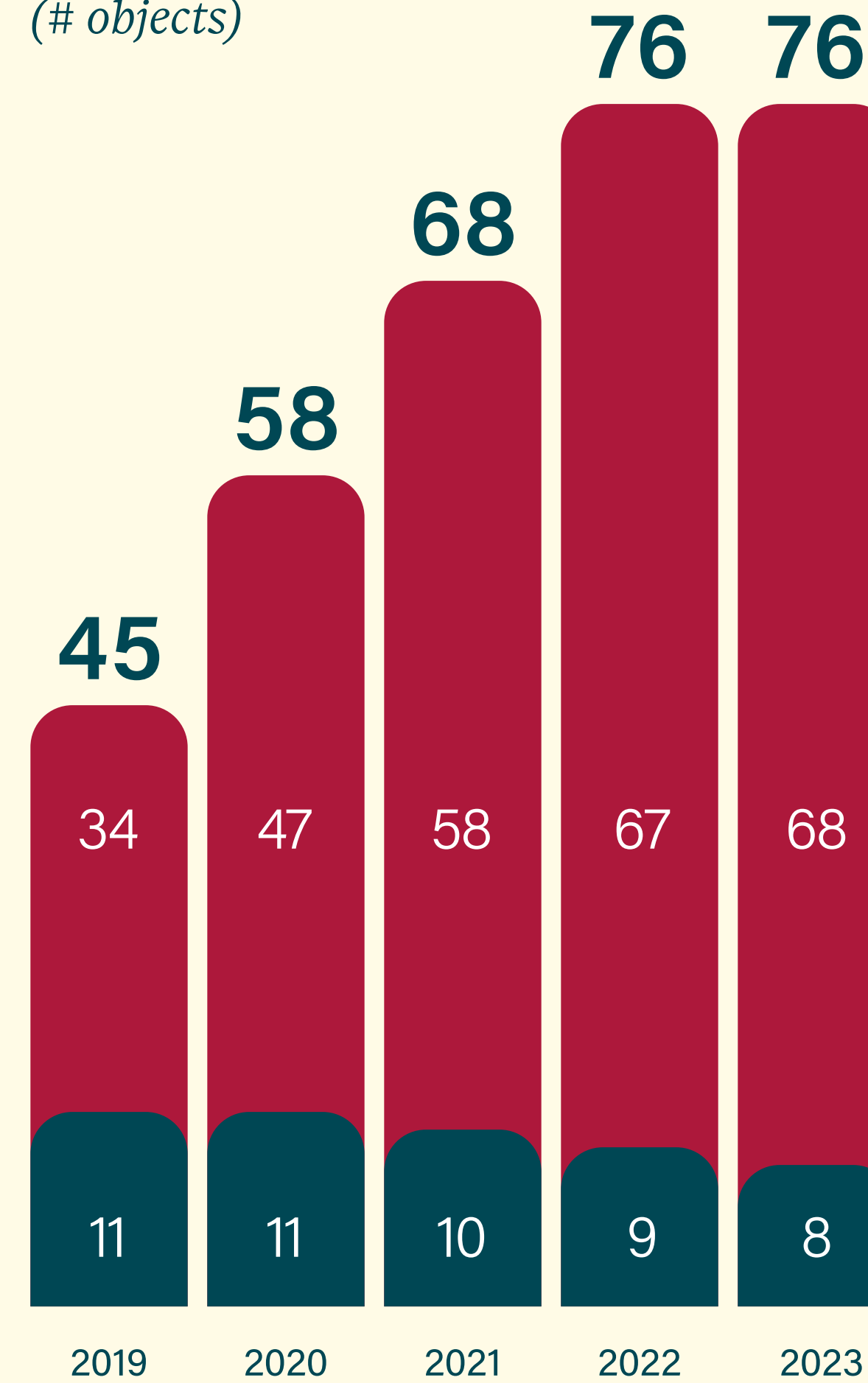
Real Estate type



* VP Capital's average share in this is 67% (direct) and 8% (funds) respectively.



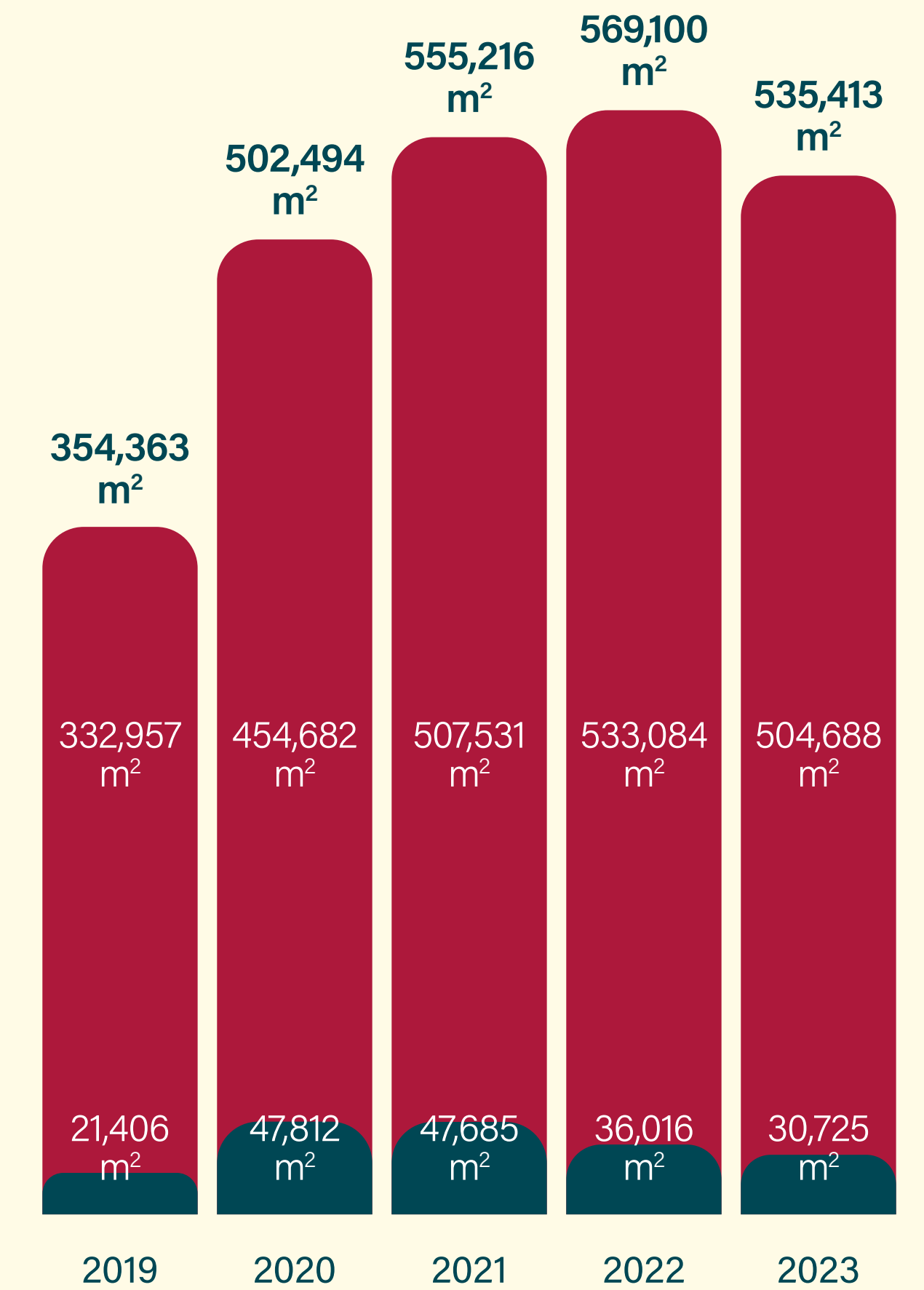
Investment type
(# objects)



• Direct Investments

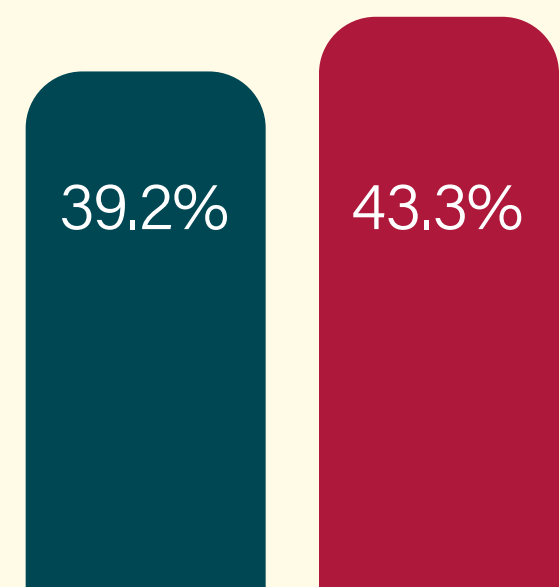
• Investments in funds

Net Usable Area trend
(m²)

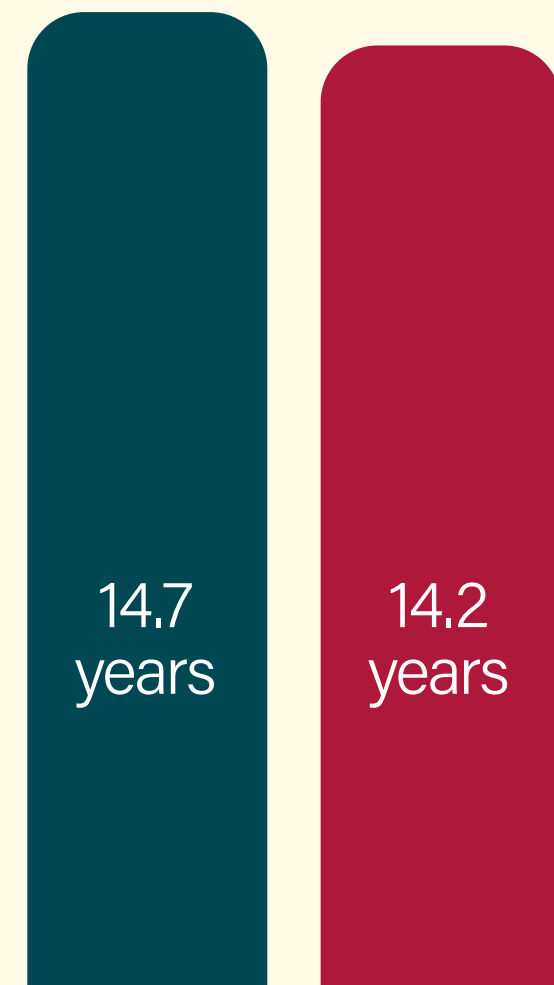




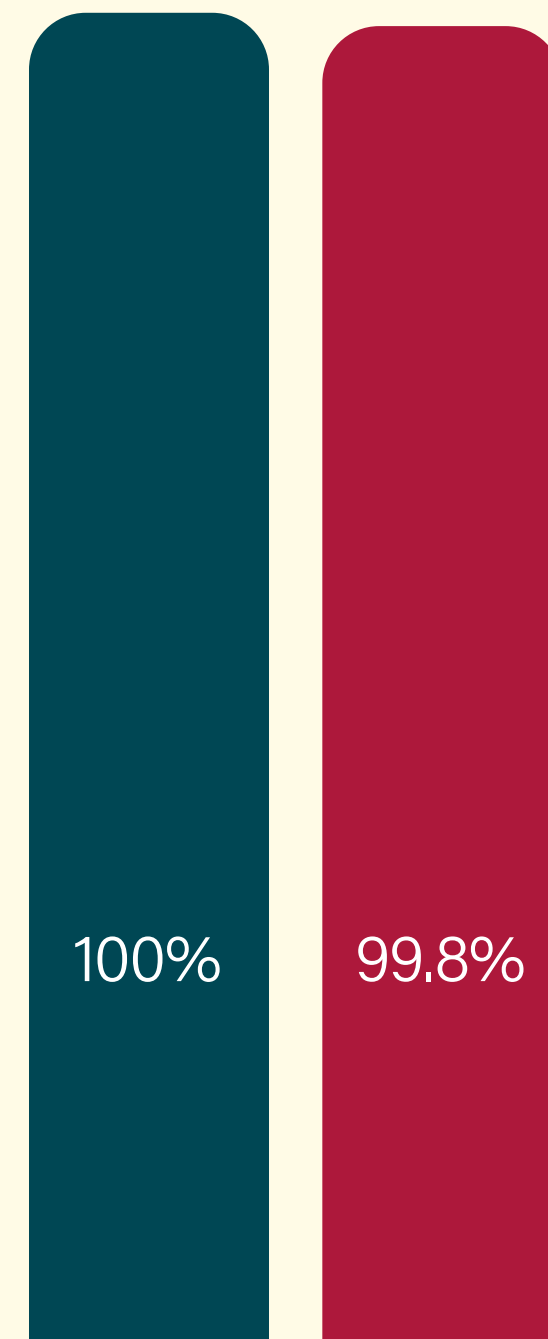
Average leverage (%)



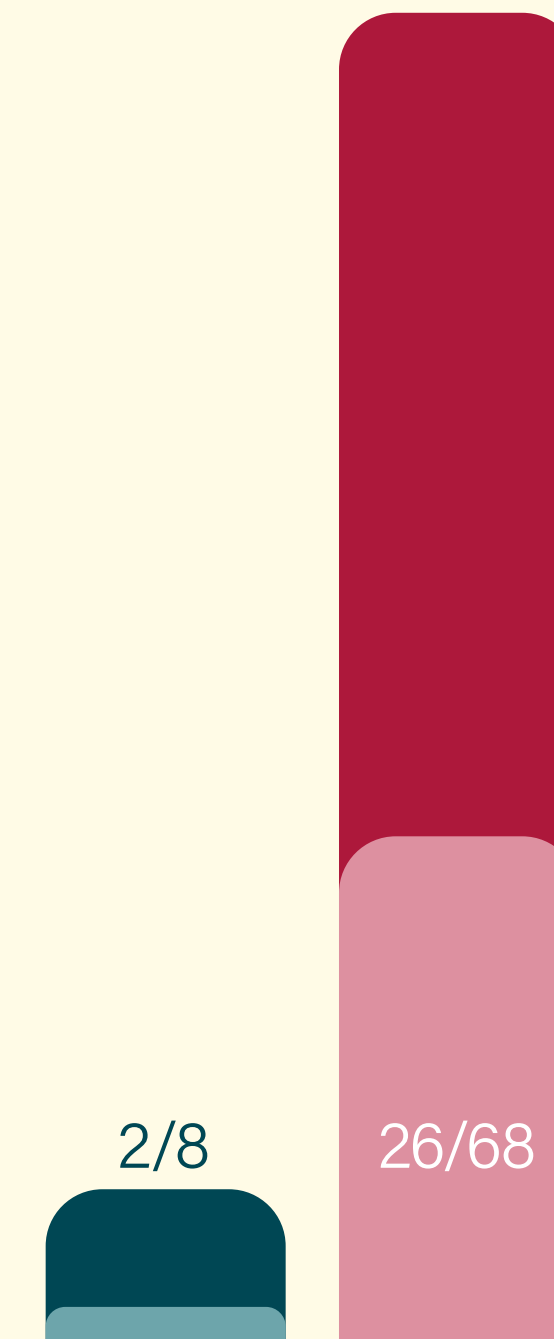
Weighted average lease length (WALL, # years)



Average occupancy rate (%)



Solar panels (# objects)



Gas-free (# objects)



• Direct Investments • Investments in funds



2. Our view on investing in real estate

As part of VP Capital, VP Vastgoed explicitly positions itself as an end investor in real estate with a long-term vision. We are not a project developer, nor will we, as a direct investor, enter into projects that still carry significant development risks.

For us, real estate is a logical part of our overall investment portfolio. After all, it provides stable and predictable cash flows and can be a good protection against inflation with limited risk.

Investment view

Our long-term investment policy is based on the following five building blocks:

Conscious investment policy

Strive for approximately equal distribution between direct investments and investments in funds because of:

- Optimal risk diversification;
- Access to more specific expertise through funds and thus faster and better access to thematic real estate.

Focus

Investment focus:

- Social development focused on affordable housing or repurposing existing properties for societal purposes;
- Focus on selected real estate themes and associated theme funds*, including healthcare real estate;
- Focus on buildings or concepts that enhance well-being and/or societal function.

Sustainability

- New investments in existing buildings only if they can be made sufficiently sustainable;
- New construction must be as sustainable as possible in the broad sense: energy-neutral, biobased and circular where possible but also with attention to the community, biodiversity and the well-being of users.

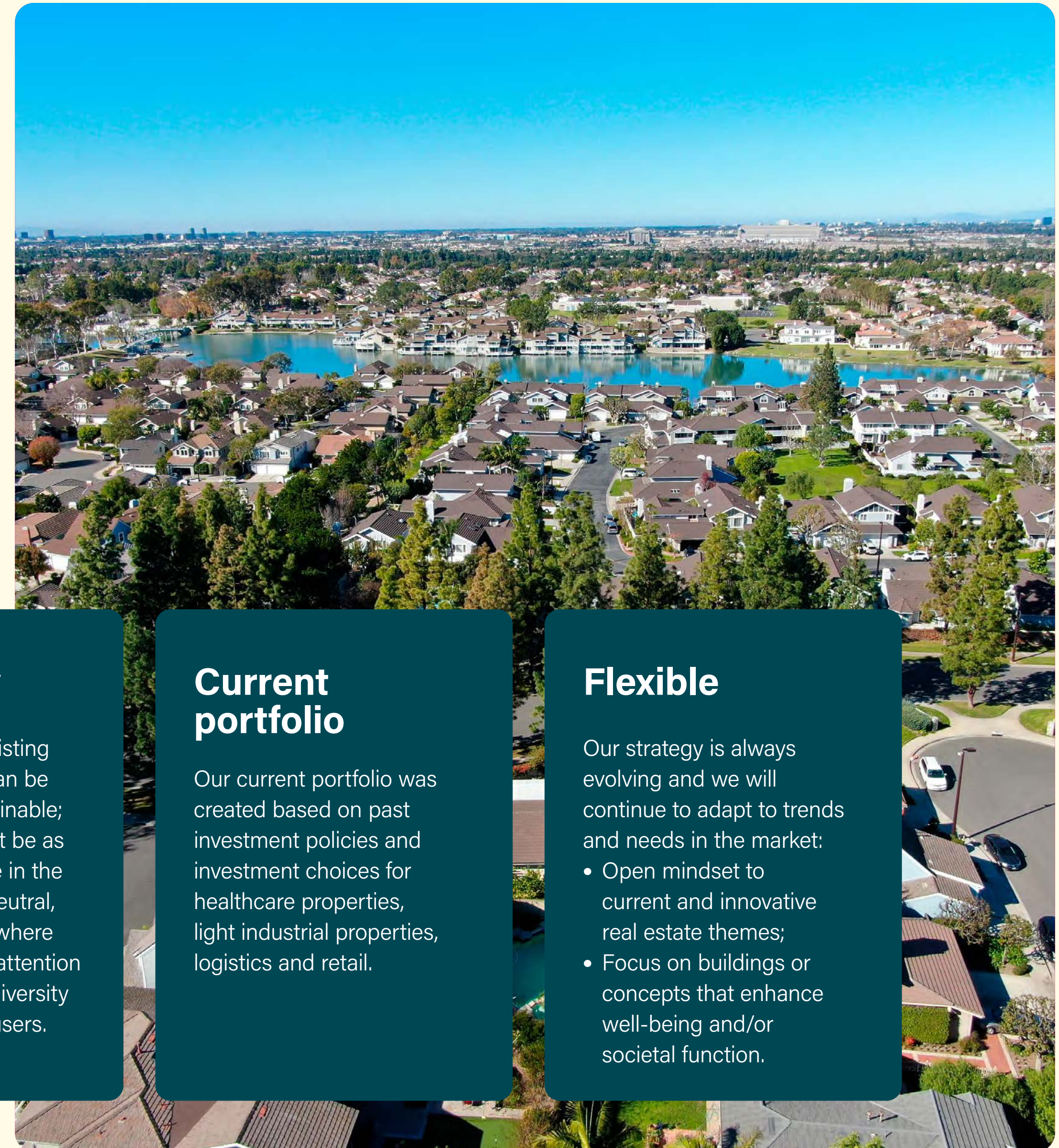
Current portfolio

Our current portfolio was created based on past investment policies and investment choices for healthcare properties, light industrial properties, logistics and retail.

Flexible

Our strategy is always evolving and we will continue to adapt to trends and needs in the market:

- Open mindset to current and innovative real estate themes;
- Focus on buildings or concepts that enhance well-being and/or societal function.



3. Investment process

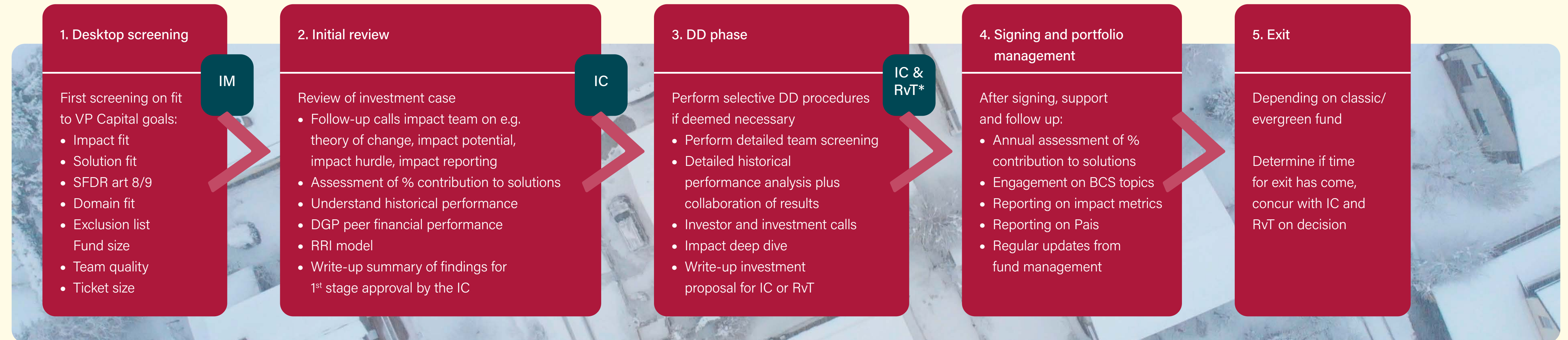
To translate its strategy and vision into practice, VP Capital uses a structured investment process, distinguishing between direct investments and investments in funds. The steps in this process are essentially no different for VP Vastgoed investments, although of course different issues are considered.

The following figures successively show the investment cycle for direct investments and for investments in (real estate) funds.

Investment process direct investments



Investment process fund investments



* Supervisory Board

Investment criteria

In screening a potential investment, we use a proprietary model to look along the axes of return, risk and impact.

General criteria

As part of the initial screening process for real estate investments, one of the first steps in the investment cycle is to test a potential investment against set investment criteria, in order to sift through the pipeline. VP Vastgoed uses the following investment criteria for investments in real estate properties:

<p>Geography Preferably real estate in the Netherlands and Belgium.</p>	<p>Lease term / contract Lease term at least > 10 years + annual indexation. Where possible inclusion of green lease clause with agreements including use of green electricity.</p>	<p>Quality tenant / warranty For commercial property: good (A-quality) tenant with possible guarantees from parent company.</p>	<p>Location A-location in affluent neighbourhood. However, for underserved communities or social housing, this is considered on a case-by-case basis.</p>	<p>Marketability object State of repair, service life, alternative uses, possible private parking, etc.</p>	<p>Return Market-based initial yield (BAR) in commercial real estate.</p>	<p>Financing Loan to Value (LTV) maximum 50% at the start and preferably decreasing to 30% over the remaining term of the lease.</p>	<p>Due diligence / valuation / reservations A convening technical, financial, legal and fiscal due diligence as well as a valuation should take place beforehand. Possible reservations to be included in the purchase contract.</p>	<p>Stable cash flow Investment should contribute to the real estate strategy of generating stable and predictable cash flows.</p>
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Impact criteria

As one of VP Capital's operating companies, VP Vastgoed has an impact-first strategy. VP Capital's mission statement is: "We commit our capital and engage our network towards sustainable progress for generations to come." Through its activities, VP Capital aims to address three societal and planetary challenges: biodiversity loss, climate change and social equality. The specific focus lies on six solutions that positively contribute to these three challenges:

- Biobased
- Net zero
- Circular
- Inclusive
- Regenerative
- Toxicity free

For real estate investments, the following criteria apply:

1. Investments must be in line with our science-based targets commitment

- For the real estate sector, SBTi has developed specific decarbonisation pathways. Real estate emissions should decrease according to a defined curve ending in net zero emissions in 2050. Alignment with our SBT commitment means that real estate emissions must be reduced by approximately 70-80% by 2030. To achieve this, we have stringent requirements for new investments.
- Since the ultimate goal is net zero, we set the requirement for new construction to be net zero, i.e. 'zero on the meter'. For existing construction, the approach depends more on the specific possibilities.
- In the case of fund investments, we ask the fund management to commit to making their portfolio more sustainable in line with science-based targets.

2. Investments must contribute to at least one of our six solutions

- We only invest in real estate that is sustainable, meaning it must have the highest possible energy label (at least A), use as many of circular and biobased materials as possible, and with attention to biodiversity and inclusiveness. In the Netherlands and other countries, a certain level of sustainability is already enforced by laws and regulations. VP Capital therefore only invests if the sustainability bar is set higher and there is a clear contribution to one of the solutions mentioned above.
- A property only contributes to a solution if it clearly and demonstrably exceeds the requirements set by the market or by law. As the market norm evolves, we will raise our investment standards accordingly.
- An exception may apply to a property that contributes to several solutions in such a way that the sum is clearly above the market standard of general sustainability. Article 9 for funds is in fact an indication of this.
- Fund investments: we only invest if we expect at least 80% of the properties in the fund to contribute to at least one of the solutions. Management must commit to this and demonstrate it in policy, criteria, actions and results.

3. Investments must lead to a portfolio of at least 50% societal real estate

- Private tenants: real estate for private residents is only social if it also contributes to the inclusive solution. Mainly, affordable housing or aimed at a specific target group with little access to housing (underserved). The property must actually contribute to solving a housing need in the local context. Priority for residents with key professions is a plus, given their social importance.
- Corporate tenants: the type of tenant/function of the building is the leading factor here. A real estate object is social if it serves a public function in areas such as education, culture, welfare, social care and/or (medical) care. An important point of attention is that the commercial interest should not weigh too heavily.



Warehouse in Waalwijk, part of REG Fund



Risk

In screening a potential investment, we naturally consider the usual financial risks; specifically for real estate, these include tenant risk, financing risk and macroeconomic risks.

In addition, there is growing attention to climate risks in the real estate domain. We too are looking at this with increased emphasis and identifying these risks is an integral part of our due diligence process for real estate investments. We consider the following areas of concern:

- **Physical risk:** climate change can lead to extreme weather events such as floods, heat waves, hurricanes and drought, which in turn can lead to direct or indirect damage to property.
- **Value risk:** climate change may lead to changes in demand for real estate, for example, homes in coastal areas that may lose value due to flood risks.
- **Regulatory risk:** governments are likely to introduce increasingly stringent laws and regulations to reduce greenhouse gas emissions and adapt real estate to the impacts of climate change. This could lead to higher costs for sustainability or property adaptation.
- **Transition risk:** the transition to a low-carbon economy may lead to a reduction in demand for certain types of properties, leading to depreciation.

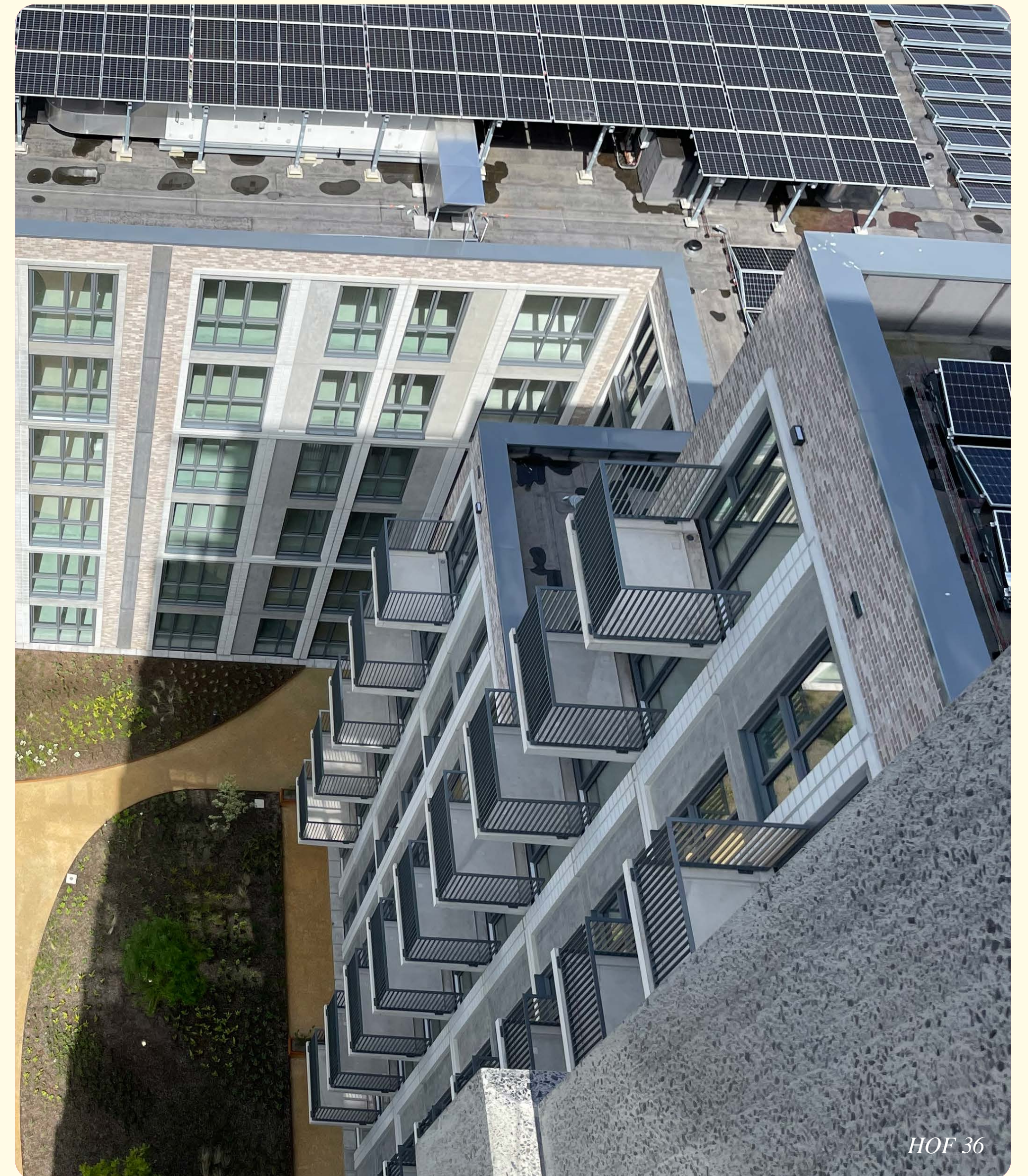
Finally, another way to reduce risk is by having an exclusion policy, whereby we exclude investments in real estate used in sectors such as weapons, tobacco, oil and gas or by tenants who operate irresponsibly.

Exit

The final step in our investment cycle is the exit. First and foremost, VP Vastgoed is a long-term investor with an investment horizon of at least ten years. A decision to divest will therefore never be taken lightly. Nevertheless, an exit strategy and process will also need to be considered with every investment.

An exit can be triggered, for example, by an *offer we can't refuse*, an opportune timing, insufficient ability to achieve ESG and impact objectives or misalignment with fund management. A favourable market timing could be, for example, when redevelopment of real estate is necessary or when an investment no longer fits due to adjustment of the strategy.

In the case of an exit in which a new investor takes over a partial interest or the entire investment, an important consideration for VP Vastgoed is whether the buying party has the intention and capacity to continue and further develop the ESG performance of the investment. Preferably, this intention is also laid down in the purchase agreement. This way, VP Vastgoed ensures that the ESG and sustainability ambitions of the investment are continued even after its involvement.



HOF 36



4. Direct investments

Properties acquired in 2023

In line with our real estate strategy, we aim to grow our real estate portfolio with an equal distribution between direct investments and investments in funds.

In 2023, we looked at several propositions, including a residential project and the redevelopment of a healthcare real estate complex. Ultimately, however, we did not make an investment because none of the propositions met our conditions.

In our experience circularity and use of sustainable materials are still not widely embraced in project development, although we do see a positive trend. True sustainable development of properties requires a lot of investment, leading to lower (direct) returns which makes investors and developers more likely to withdraw.

Properties sold in 2023

In 2023, one real estate object was sold (apartment Beek en Donk), on the grounds that this property no longer fit into our investment strategy. Also, the main part of land position 'Land van Anna' was sold; ownership remains only for the factory chimney and boiler house (including office and steam engine room). These objects will be redeveloped under the name 'Rijksmonument Annaplein'.

In the near future, we expect to sell more properties that no longer fit into our strategy. We plan to reinvest the proceeds in our core strategy.

Overview of direct investments

As of the end of 2023, VP Vastgoed had a direct investment in the following properties.

Property	City	Investment share	Investing since
AH XL	Delft	51%	2017
B-Aparthotel	The Hague	100%	2017
Sensata office (with lab)	Hengelo (OV)	22%	2017
Huize Anna	Goirle	100%	2008
Caretaker residence	Goirle	100%	2018
Residential house Tilburg 1	Tilburg	100%	1905
Residential house Tilburg 2	Tilburg	100%	1906
HAVEP	Goirle	100%	2021
HOF 36 (under construction)	Leiden	90%	2022
Rijksmonument Annaplein (under construction)	Goirle	100%	2023



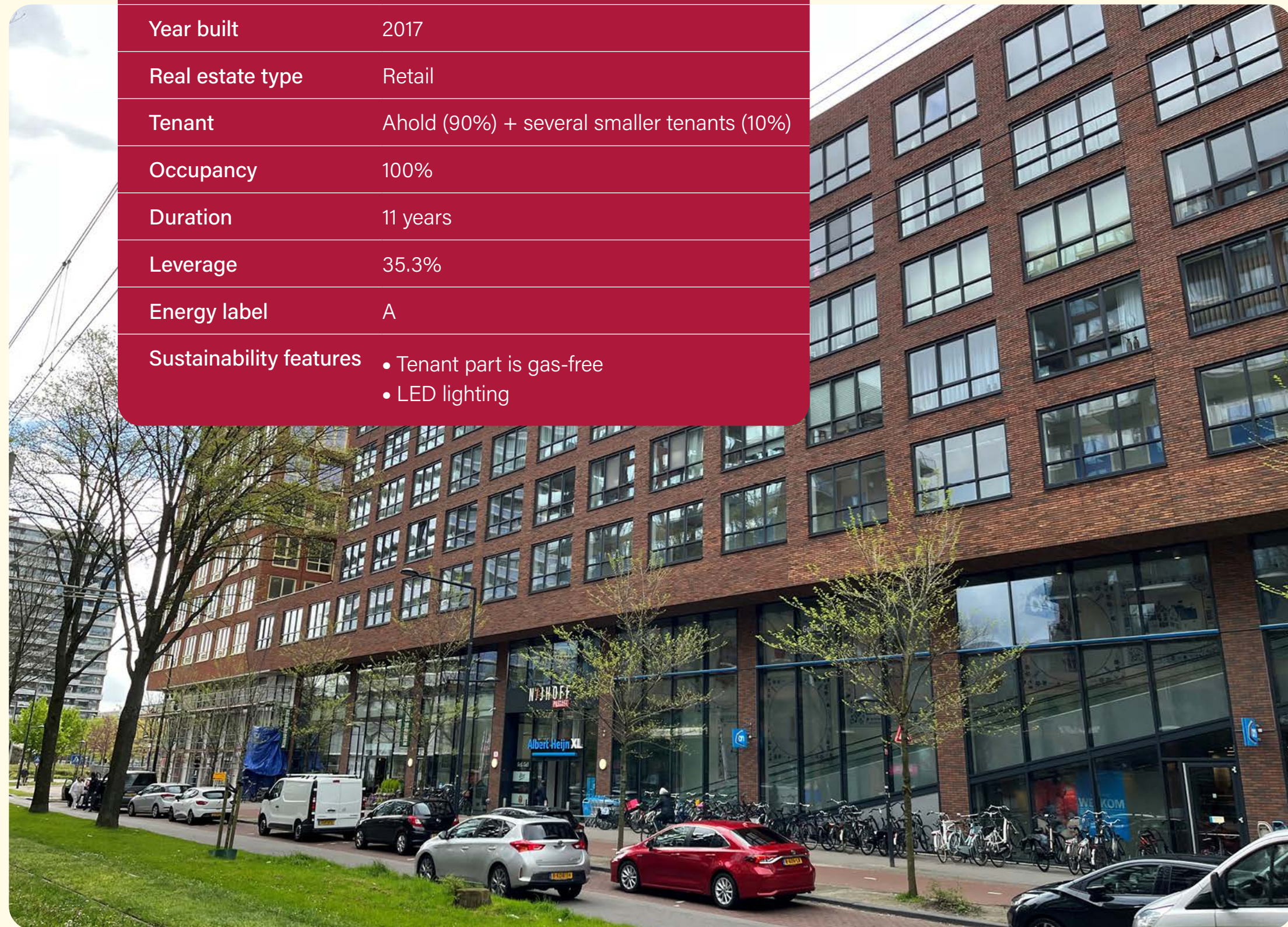
The following is a description for each property.

AH XL, Delft

The building is a newly constructed shopping complex consisting of two floors including a parking garage. The complex is largely used as a supermarket, with additional space for retail and parking.

Some features of the property:

# m ² (NUA)	6,125
Year built	2017
Real estate type	Retail
Tenant	Ahold (90%) + several smaller tenants (10%)
Occupancy	100%
Duration	11 years
Leverage	35.3%
Energy label	A
Sustainability features	<ul style="list-style-type: none"> • Tenant part is gas-free • LED lighting



B-Aparthotel, The Hague

The building is an apartment hotel with 60 fully-fitted apartments, located on the first to fifth floors, and includes a rear parking lot. It is part of the national monumental complex "The Ambassador", which further consists of 33 apartments (no ownership). The property was fully renovated in 2015 and 2016.

Some features of the property:

# m ² (NUA)	3,427
Year built	1956
Real estate type	Hotel / residential
Tenant	B-Aparthotels
Occupancy	100%
Duration	16 years
Leverage	38.5%
Energy label	A
Sustainability features	<ul style="list-style-type: none"> • Use of high quality materials and high level of finish in renovation • LED lighting and motion sensors • Use of heat pumps for heating apartments





Sensata office (with lab), Hengelo (OV)

The Sensata office/lab is a five-storey office building with laboratory space, land, a yard, grounds and further appurtenances. The building has been built as sustainably as possible and is BREEAM Excellent certified.

Some features of the property:

# m ² (NUA)	8,820
Year built	2017
Real estate type	Mixed use (office + lab space)
Tenant	Sensata
Occupancy	100%
Duration	13 years
Leverage	35.7%
Energy label	A
Sustainability features	<ul style="list-style-type: none"> • Gas-free, with heating and cooling provided by heat pumps in combination with a heat and cold storage system • Grey water system, flushing toilets with rainwater, collection of rain surplus • Solar panels on south facade that also serve as sunshades • LED lighting, sensors, temperature adjustable for users • Madaster/building materials or materials passport • Biodiversity: take endangered species into account



Huize Anna, Goirle

Huize Anna is the building in which VP Capital itself holds office, a striking villa with rich historical details. The original property was built in 1903 by Eduard van Puijenbroek who named the villa after his wife, Anna Jansen. In 1954 the property was extensively remodelled/rebuilt and in 2016 its purpose was changed from residential to office use. The building consists of three floors. The property includes a sprawling garden that connects to the estate behind.

Some features of the property:

# m ² (NUA)	894
Year built	1954
Real estate type	Office
Tenant	VP Capital
Occupancy	100%
Duration	N/A
Leverage	0%
Energy label	-
Sustainability features	<ul style="list-style-type: none"> • Gas-free, heat from biomass plant • LED lighting • Watering the garden with groundwater • Lots of room for nature and biodiversity in an extensive, well-managed garden

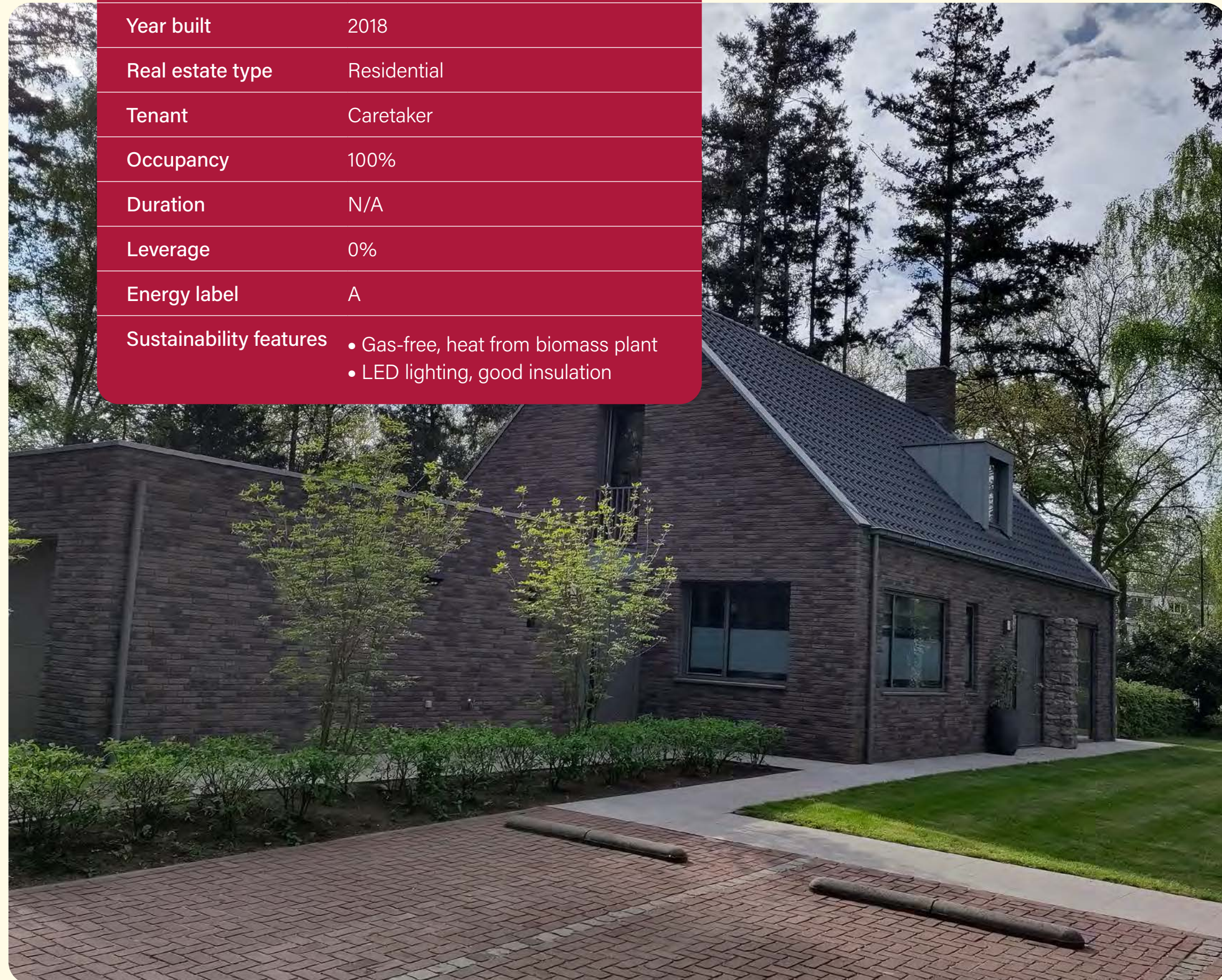


Caretaker residence, Goirle

Next to Huize Anna is a porter's house, rebuilt in 2018 after the original was demolished in the 1980s. This building is occupied by the caretaker of Huize Anna.

Some features of the property:

# m ² (NUA)	278
Year built	2018
Real estate type	Residential
Tenant	Caretaker
Occupancy	100%
Duration	N/A
Leverage	0%
Energy label	A
Sustainability features	<ul style="list-style-type: none"> • Gas-free, heat from biomass plant • LED lighting, good insulation



Residential house Tilburg 1

This is a home for the widow of a former employee.

Some features of the property:

# m ² (NUA)	235
Year built	1905
Real estate type	Residential
Tenant	Private
Occupancy	100%
Duration	N/A
Leverage	0%
Energy label	E
Sustainability features	-





Residential house Tilburg 2

This is a home for a former employee.

Some features of the property:

# m ² (NUA)	146
Year built	1906
Real estate type	Residential
Tenant	Private
Occupancy	100%
Duration	N/A
Leverage	0%
Energy label	E
Sustainability features	-



HAVEP, Goirle

HAVEP's new commercial building was inaugurated in April 2022 and consists of an office building and a warehouse. Based on a design by Paul de Ruiter Architects, the most circular utility building in the Benelux has been realised here. The building was designed as a forerunner in the field of future-proof, healthy and circular construction. The design also takes into account the well-being of the users and ensures changes can easily be made to the building in the future.

The building has won no less than three awards. In 2022, it received the 'Nationale Houtbouwprijs' in the Business category as well as the audience award, and later also won the Cobouw Sustainability Award.

Some features of the property:

# m ² (NUA)	7,800 warehouse + 3,000 office = 10,800
Year built	2021
Real estate type	Mixed use (office + logistics)
Tenant	HAVEP
Occupancy	100%
Duration	18 years
Leverage	46.5%
Energy label	A++++
Sustainability features	<ul style="list-style-type: none"> • Zero energy meter • 1,600 solar panels • Heat pumps for heating and cooling • LED lighting, insulation with flax, temperature control building management system • Complete wooden skeleton, largely demountable • Mainly biobased and recyclable materials • Reuse of previously used building materials • Water conservation through electric taps with sensors and water-saving toilets, rainwater harvesting • User well-being: e.g. ventilation, sunlight, air quality, sensors, acoustic louvres • Biodiversity: e.g. maximum planting, grass mixture especially attractive for birds



HOF 36 (under construction), Leiden

In 2022, VP Vastgoed invested in the new construction project HOF 36, which was not yet finished at the end of 2023. This project concerns the development of several properties with 126 private social housing units (affordable housing) and a commercial space. The building meets high sustainability standards.

Some features of the property:

# m ² (NUA)	5,178
Year built	2023
Real estate type	Residential
Tenant	Private
Occupancy	tbd
Duration	tbd
Leverage	48.7%
Energy label	A+++
Sustainability features	<ul style="list-style-type: none"> • Gas-free • Very good insulation • Solar panels • Roof garden / herb garden for biodiversity • Rainwater harvesting facilities



Rijksmonument Annaplein

VP Capital has long owned the land where the HAVEP factory stood until recently, but sold this in 2023. VP Capital has retained ownership only of the factory chimney and boiler house, both of which will remain and will be redeveloped.

Some features of the property:

# m ² (NUA)	833
Year built	2024 (redevelopment)
Real estate type	Residential / Industrial
Tenant	Private / VP Capital
Occupancy	tbd
Duration	tbd
Leverage	tbd
Energy label	tbd
Sustainability features	tbd



5. Investments in funds

New investments in 2023

In line with our real estate strategy, we aim to grow our real estate portfolio with an equal distribution between direct investments and investments in funds.

In 2023, we looked at several fund propositions, but ultimately did not make an investment because none of them met our conditions. In our experience, fund management was often not yet up to standard in terms of sustainability and ambitions.

Another explanation for being unable to find suitable investments is the situation in the real estate market. Interest rates and inflation have risen in recent years, leading to significant price pressure. Property developers were faced with huge increases in costs and consequently put projects on hold. This led to an imbalance between supply and demand; plans were taken off the market because not enough buyers/investors could be found mainly because of yield pressure due to the costs of and access to finance. Finally, the pressure on valuations and the decline in the value of commercial properties did not help either.

For 2024 and beyond, we expect many improvements as the market has stabilised. We also see trends such as the emergence of thematic funds (e.g. affordable housing), the emergence of new asset classes (e.g. schools) and redevelopment of religious and cultural real estate to residential property for senior living facilities. We have several propositions in the pipeline and therefore expect to make several new investments in 2024 and 2025.

Exits in 2023

In 2023, our investment in the Light Industrial Fund, managed by Schrodgers Real Estate Netherlands, ended. As the properties in this fund needed redevelopment, this provided an opportune time for an exit, given that the fund did no longer fit our strategy.

In 2024 or 2025, we also expect to exit the FRUN Invest Invest, as the fund is in liquidation and also no longer fits within our strategy.

Overview investments in real estate funds

As of the end of 2023, VP Vastgoed has had an investment in the following funds.

The following is a description for each fund.

Description	Share	WALL	Leverage	Occupancy
REG Fund	6.8%	17.1 yr	44.6%	100%
HCRE Investments I	50%	> 10 yr	40.1%	100%
HCRE Investments II	25%	> 10 yr	42.1%	100%
FRUN Invest Real Estate I	5.5%	7 yr	tbd (2022: 31%)	tbd (2022: 96%)





REG Fund

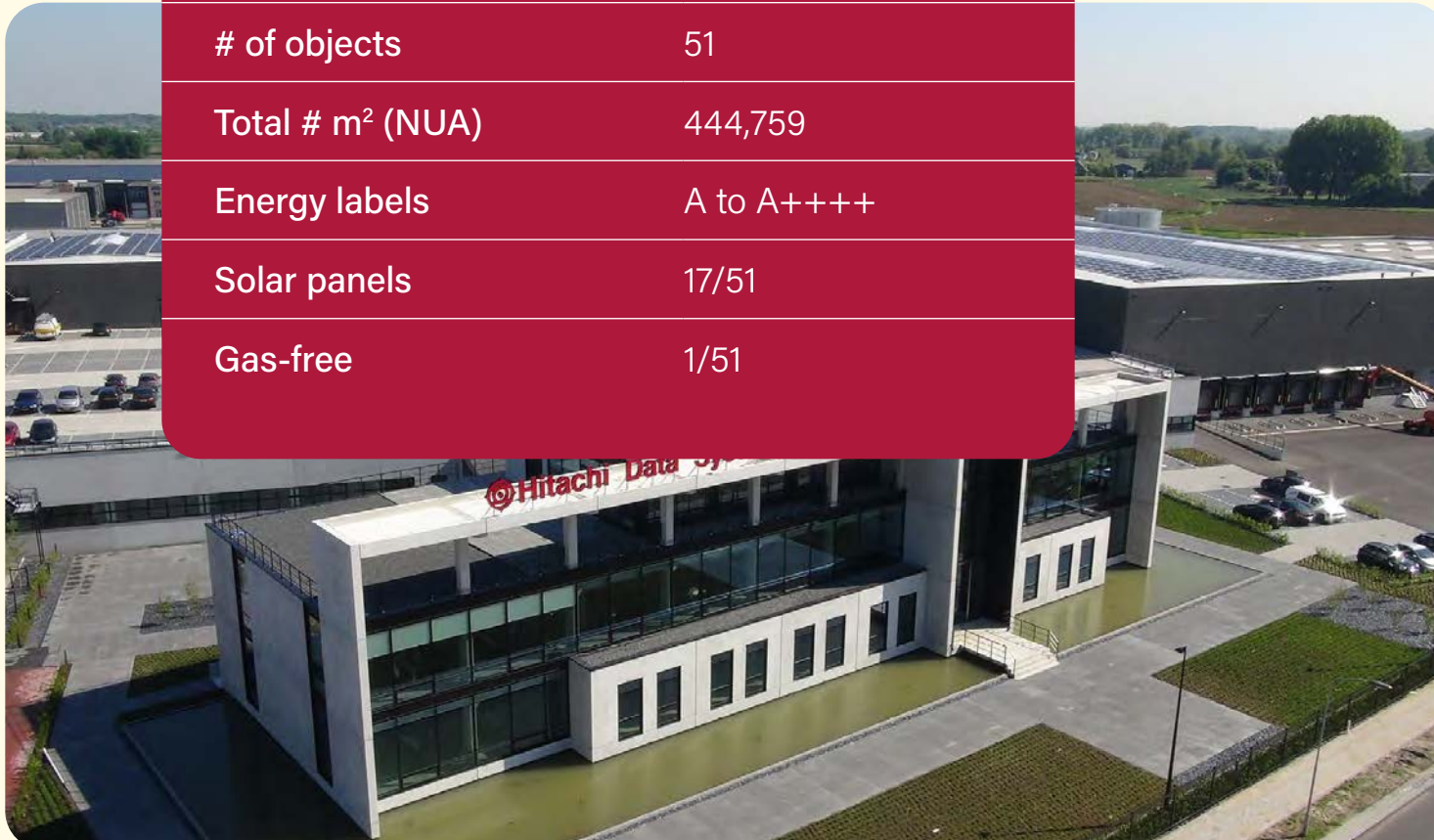
The Real Estate Gateway Fund is a Dutch long-term and institutional investment fund focused on stable industrial and logistics real estate. The portfolio of mid-sized assets is located along Dutch transport corridors from the gateways of Rotterdam and Amsterdam to the larger European market.

A long-term investment horizon enables to create future-proof assets in terms of adaptability, sustainability and tenant relations. This fund is managed by Schroders Real Estate Netherlands.

The ambition of the fund is to become a sustainable logistics and (light) industrial real estate fund that is resilient, adapts to the changing environment of people and planet and contributes to the mitigation of climate risks.

The fund qualifies as a fund with sustainable characteristics (SFRD Article 8): "a fund that has environmental or social characteristics, or a combination of these characteristics, provided that the investee companies follow good governance practices."

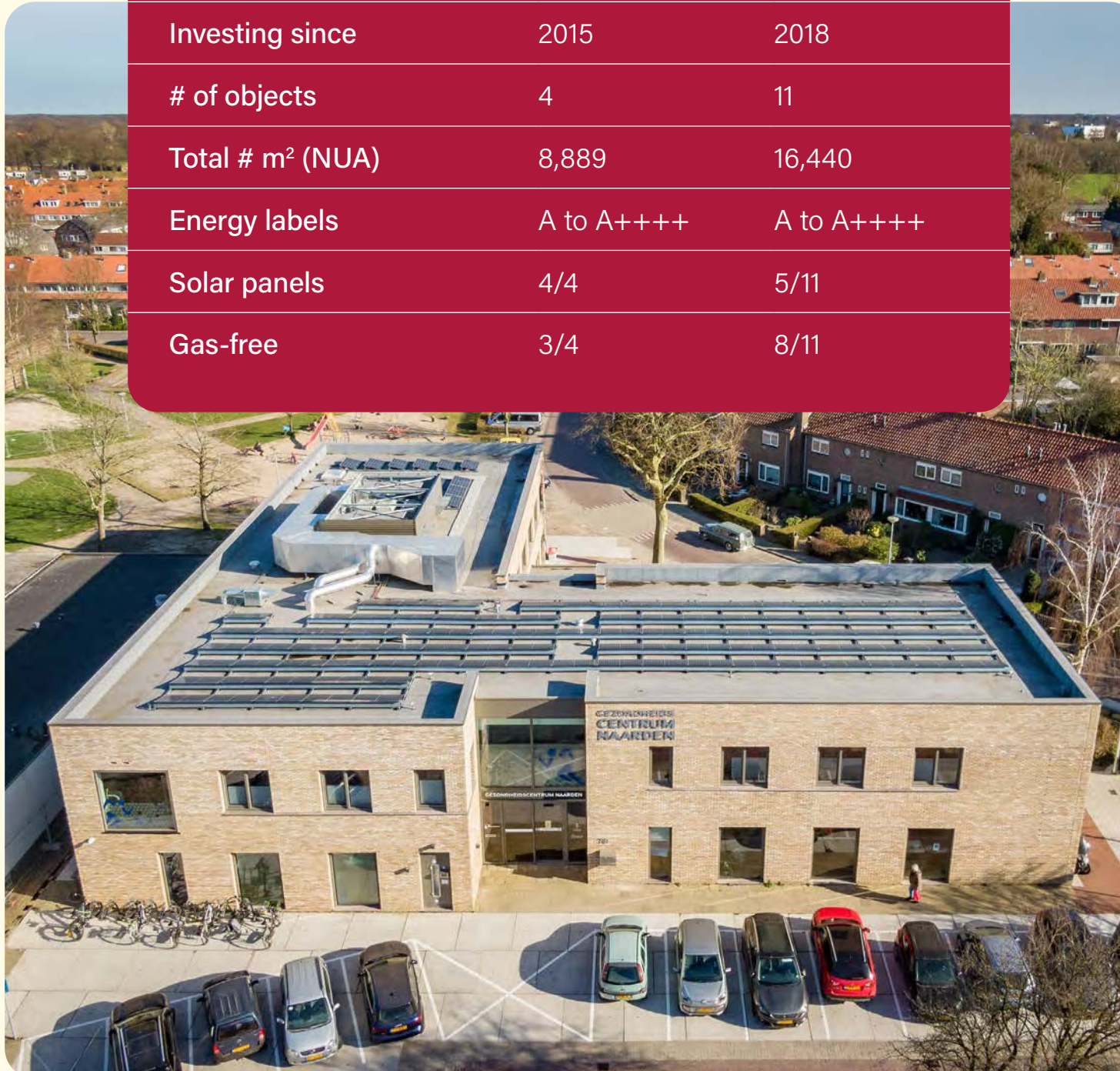
Investing since	2007
# of objects	51
Total # m ² (NUA)	444,759
Energy labels	A to A+++++
Solar panels	17/51
Gas-free	1/51



HCRE Investments I & II

Healthcare Real Estate (HCRE) develops, manages and invests in healthcare real estate in the Netherlands, such as: health centres, residential care locations, healthcare apartments and independent treatment centres. HCRE is a long-term investor: all developed or acquired properties remain in the portfolio for a long period of time. Social relevance and sustainability are also high priorities. An example of this is that all properties have energy labels A to A+++++. This fund is also managed by Schroders Real Estate Netherlands.

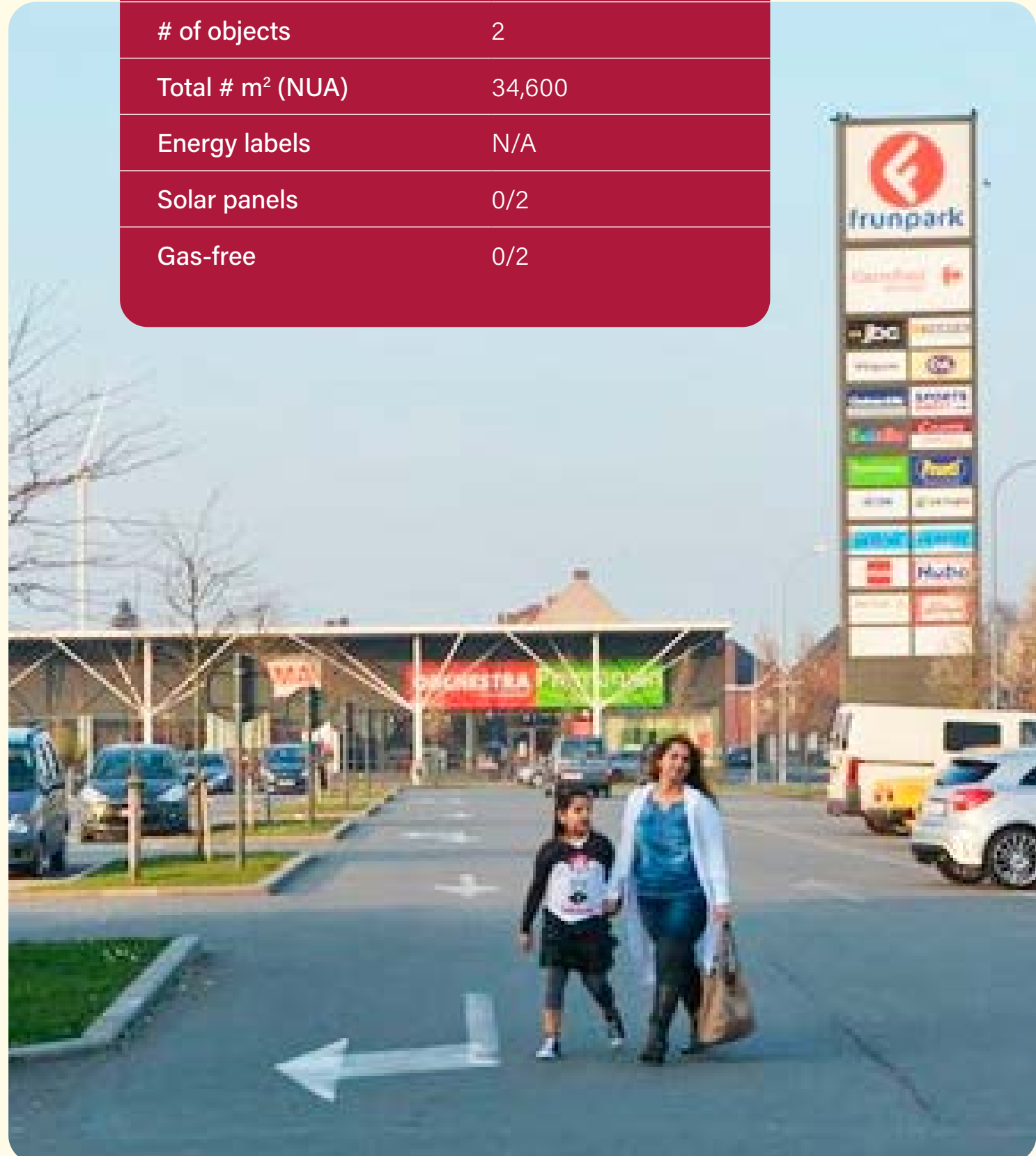
	HCRE I	HCRE II
Investing since	2015	2018
# of objects	4	11
Total # m ² (NUA)	8,889	16,440
Energy labels	A to A+++++	A to A+++++
Solar panels	4/4	5/11
Gas-free	3/4	8/11



FRUN Invest Real Estate I

FRUN Invest is a fund with investments in a number of shopping centres in Belgium and France. The investment period of the fund has ended and the fund is in liquidation. The fund also no longer fits into the current real estate strategy.

Investing since	2014
# of objects	2
Total # m ² (NUA)	34,600
Energy labels	N/A
Solar panels	0/2
Gas-free	0/2





6. Sustainability

As indicated earlier in this document, sustainability is an important part of our strategy. VP Vastgoed aims to invest in solutions that contribute to the three societal and planetary challenges: biodiversity loss, climate change and social equality.

To achieve our goals, we steer by three indicators:

- Progress Score;
- Percentage of impact investments;
- Science-based targets (SBTs).

Progress Score

VP Capital has developed a methodology to measure the ESG performance and impact of its investment portfolio. In this methodology, all investments are assessed annually by an independent third party, with each investment receiving a score on both ESG and impact. The weighted average of all these scores leads to VP Capital's Progress Score. Because points for improvement are also identified for each investment based on the assessment, the methodology is used as a guiding tool for sustainability.

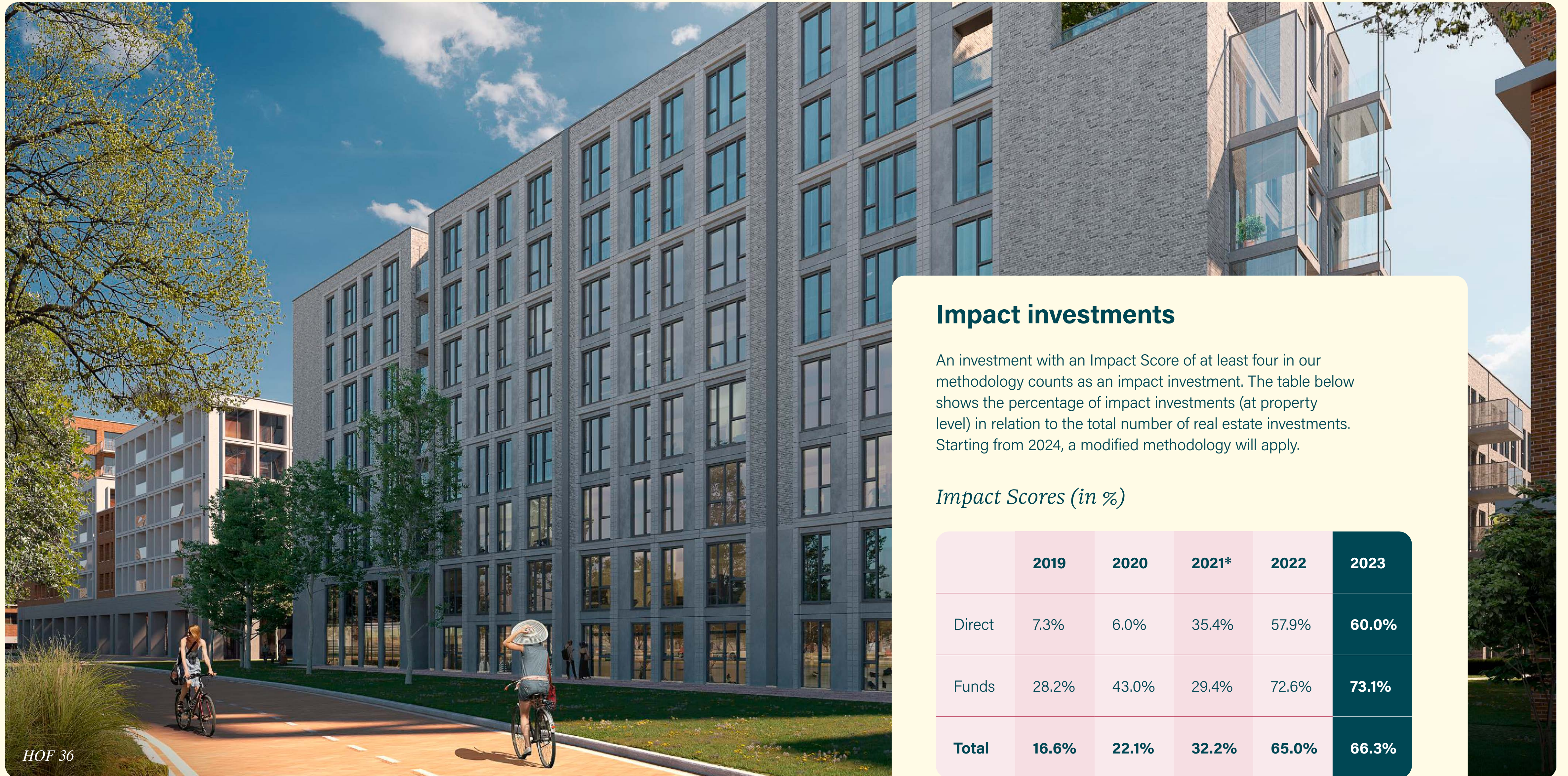
VP Capital used this method in the period 2019-2023, with the goal of achieving a Progress Score of 8.0 by 2023. 2023 is therefore the last year in which the methodology has been applied in this way. For the period starting in 2024, a new methodology has been developed in line with VP Capital's renewed strategy.

VP Vastgoed's investments in 2023 were also assessed and scored in this way, with the difference being that the assessment methodology was tailored for real estate properties. Not only does the energy performance of a property count towards the score, but also factors such as the materials used, as well as the attention paid to biodiversity and user welfare. Appendix 1 contains a more detailed explanation of the assessment methodology for real estate.

The table below shows the average Progress Scores across all of VP Vastgoed's investments, as well as their development over the past few years.

Progress Score

	2019			2020			2021*			2022			2023		
	ESG	Impact	Progress Score	ESG	Impact	Progress Score	ESG	Impact	Progress Score	ESG	Impact	Progress Score	ESG	Impact	Progress Score
Direct	2.0	3.1	5.1	2.0	3.1	5.1	5.0	2.9	8.0	5.0	3.8	8.8	5.0	3.8	8.8
Funds	2.0	3.7	5.7	2.0	3.7	5.7	2.9	2.9	6.0	3.6	3.4	7.0	4.8	3.6	8.4
Total	2.0	3.3	5.3	2.0	3.3	5.3	3.9	2.9	6.8	4.3	3.6	7.9	4.9	3.7	8.6



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Impact investments

An investment with an Impact Score of at least four in our methodology counts as an impact investment. The table below shows the percentage of impact investments (at property level) in relation to the total number of real estate investments. Starting from 2024, a modified methodology will apply.

Impact Scores (in %)

	2019	2020	2021*	2022	2023
Direct	7.3%	6.0%	35.4%	57.9%	60.0%
Funds	28.2%	43.0%	29.4%	72.6%	73.1%
Total	16.6%	22.1%	32.2%	65.0%	66.3%

Science-based targets

VP Capital is committed to reducing its carbon emissions and has therefore had so-called science-based targets (SBTs) validated. SBTs are reduction targets that are in line with what science says is necessary to not exceed the maximum global warming limit of 1.5 degrees Celsius, as agreed in Paris in 2015 (Paris Agreement 2015).

One of these reduction targets applies specifically to VP Vastgoed:

→ 73% reduction in emissions per m² by 2030 compared to 2019 (for at least 67% of our investments).

This objective applies to both our direct investments and our investments in real estate funds and can, in principle, only be achieved by actually making buildings more sustainable.

The tables below show the development in VP Vastgoed's carbon footprint on the one hand and its intensity on the other.

Carbon footprint intensity

(emissions per m²)

Carbon footprint VP Vastgoed portfolio	2019 (kg CO ₂ e / m ²)	2020 (kg CO ₂ e / m ²)	2021 (kg CO ₂ e / m ²)	2022 (kg CO ₂ e / m ²)	2023 (kg CO ₂ e / m ²)	% reduction i.r.t. 2019
Direct	60.9	61.0	44.7	21.7	5.7	-91%
Funds	23.9	23.1	21.7	19.6	19.3	-19%
Total	26.0	24.7	22.6	19.7	18.6	-28%



Health Centre St. Michielsgestel, part of HCRE fund

Carbon footprint

(absolute emissions of properties, pro rata to VP Vastgoed's share)

Carbon footprint VP Vastgoed portfolio	tCO ₂ e 2019	tCO ₂ e 2020	tCO ₂ e 2021	tCO ₂ e 2022	tCO ₂ e 2023	%
Direct	619	615	430	299	170	-73%
Funds	1,520	913	948	898	2,133*	40%
Total	2,138	1,528	1,378	1,197	2,303	8%

* The increase in carbon footprint can largely be attributed to a switch in calculation methodology for the REG Fund, not yet corrected for previous years.



Improvement actions

In general, VP Vastgoed tries to improve the Progress Score and/or CO₂ emissions of its real estate investments in the following ways:

- In cases where VP Vastgoed has control over the real estate (our direct investments), we take the lead in making the properties more sustainable ourselves. This includes talks with tenants to convince them to save energy or switch to renewable energy.
- In cases where VP Vastgoed does not have sufficient control over the investment itself (investments in real estate funds), we aim to achieve sustainability through dialogue with the management of the direct investment or the real estate fund and by offering support. Where appropriate, we also use our seat on the Supervisory Board or Investment Committee for this purpose.

Through investments and/or divestments, the average score or emissions of the portfolio could also be improved. However, if this does not contribute to making real estate more sustainable, it has no added value for us. After all, it does not make the world a better place. We therefore only divest if we are not sufficiently successful in getting management to move with us, or if an investment is no longer aligned with our strategy. We make new investments in properties only if they meet strict sustainability criteria.

Improvement actions already implemented

For our direct investments, we have carried out the following improvement actions:

- An analysis of emissions, sustainability aspects and opportunities for improvement was made for each property. This analysis is now being used as the basis for near-future action plans.

- An energy scan was performed for the B-Aparthotel by an external party (Longevity Partners), resulting in a report with concrete improvement proposals. Based on this, preparations have been made for implementation of these measures and extensive coordination has taken place with tenants and VVEs of connected apartment owners. Due to circumstances, the implementation of these actions has been delayed.
- An energy scan was performed for 'Huize Anna' by an external party (Van Dun Advies), resulting in a report with concrete improvement proposals.

For our fund investments, we have carried out the following improvement actions:

- VP Vastgoed has been in dialogue with the management of several real estate funds with the purpose of exchanging sustainability knowledge and experiences.
- To monitor the progress of its science-based targets for real estate, VP Vastgoed has reached agreements with all funds to provide emissions data from the buildings in their portfolio. Funds have been encouraged to collect and share energy consumption data. Where this was not (yet) possible, an estimate was made.

Planned improvement actions

For our direct investments, we expect to implement the following improvement actions:

- B-Aparthotel: implementation of solar panels and window film, tenants switching to green electricity.
- Huize Anna: implementation of the improvement proposals resulting from the energy scan conducted in 2023.



Health Centre Naarden, part of HCRE Fund



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Appendices

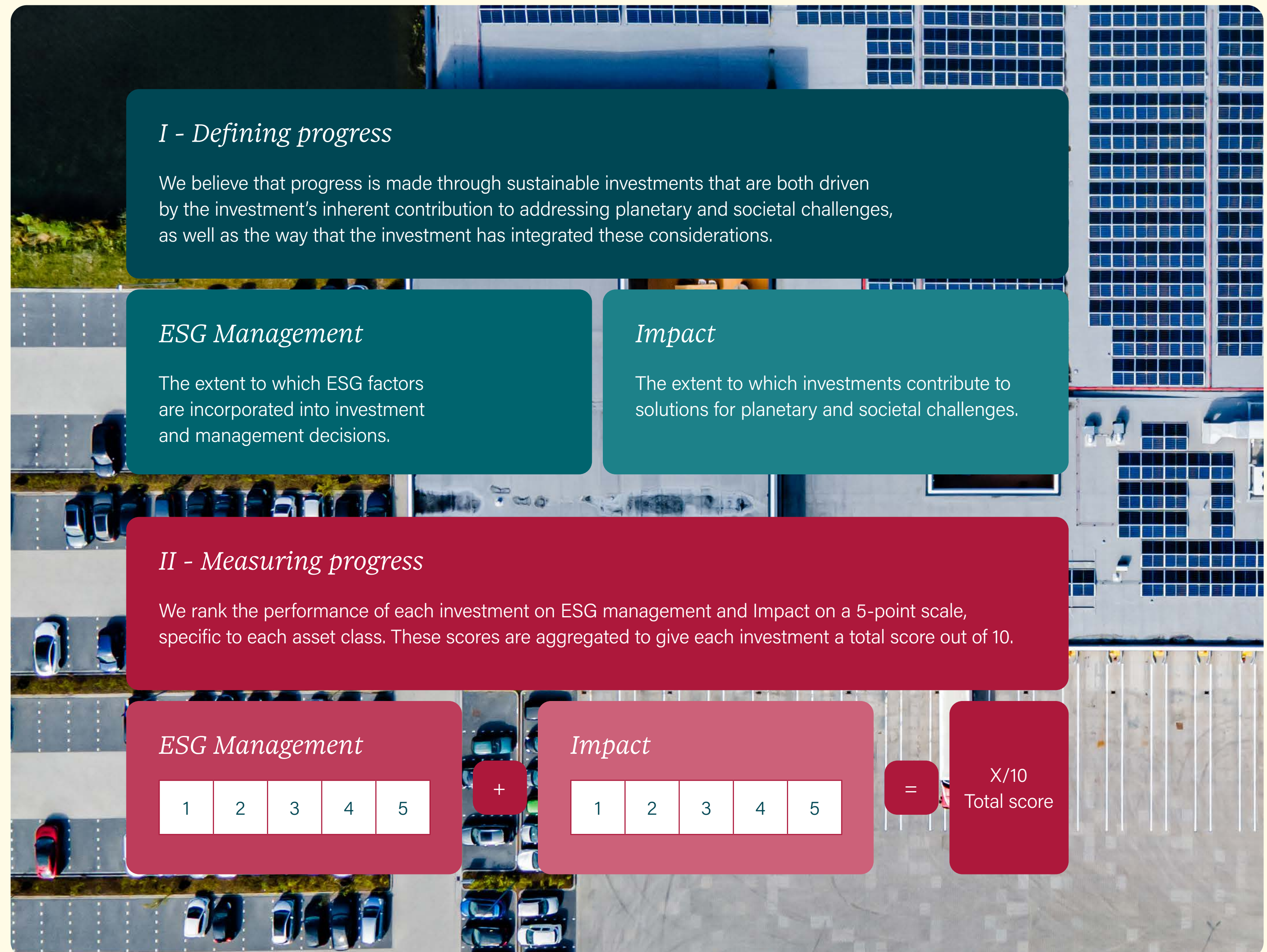


Appendix 1

Explanation Progress Score methodology (2018-2023)

The Progress Score for real estate investments, as for our investments in other areas, is composed of scores on two axes: ESG management and Impact. A score of 1-5 is achieved on both axes, which adds up to the Progress Score. For real estate, a specific methodology is used to calculate the subscores.

For both axes, the score is obtained on the basis of a number of questions for each subtopic, with points awarded. For the ESG axis, 15 points can be obtained and for the Impact axis 13 points were available. Finally, the points earned are translated into scores of 1-5 on the two axes.





Real Estate

ESG management questions

Theme	Question	Points
Reporting	Do you monitor fund ESG performance?	1
	Do you report ESG performance to your investors, the public and/or rating agencies?	1
	Do you monitor ESG impact on the asset level (asset use, energy use, tenant well-being, waste streams, biodiversity impact, incidents)?	1
Risk management	Do you have processes in place to implement your ESG policies?	1
	Do you conduct ESG due diligence for new acquisitions?	1
	Do you test your strategy against climate-related risks?	1
Leadership	Do you have objectives regarding your ESG impact (e.g. concrete year-on-year targets)?	1
	Do you have ESG leadership commitments (e.g. sharing best practices with industry peers, membership to ESG covenants)?	1
	Do you monitor relevant KPIs in the light of your ESG targets?	1
	Have you defined responsibilities with regard to ESG (e.g. senior exec. with accountability, ESG task force)?	1
Policy	Do you have an ESG policy in place?	1
	If you have an ESG policy, does it contain guidelines on ESG factors, investment integration (e.g. screening, DD requirements, improvement plans), and reporting?	1
Stakeholders	Do you have initiatives in place regarding employee well-being (e.g. D&I policy, well-being budget)?	1
	Do you engage with tenants in order to ensure and promote tenant satisfaction?	1
	Do you audit your suppliers/partners for their ESG performance and potential controversies?	1



Real Estate

Impact questions

Theme	Question	Points
Energy & carbon	Does the asset have an energy label of A or higher?	3
	Does the asset have either a BREAAAM or GRESB rating, or is it likely to be eligible? If so, please elaborate on why the asset is expected to be eligible.	1
	Have actions been taken to produce/procure renewable electricity at the asset (e.g. GOs, solar panels)?	1
	Have actions been taken to reduce or avoid the consumption of fossil fuels for heating or cooling?	1
	Have actions been taken to limit energy consumption (e.g. efficient lighting, insulation) at the asset?	1
Asset use impact	Does the exploitation of the asset by the tenant have a clear positive or negative contribution to society or the planet (e.g. healthcare, affordable housing v. fossil fuel production)?	1
	Have renovations taken place to either keep the asset up to date with requirements or improve liveability and sense of community?	1
Circularity	Have circularity considerations been taken into account in the construction and/or renovation of the asset (e.g. sustainable materials)?	1
	Have actions been taken to limit waste streams or pollution at the asset?	1
	Have actions been taken to limit water use at the asset?	1
Occupant well-being	Do you have insight into occupant/tenant satisfaction (e.g. survey result, complaint rate)?	1
	Have actions been taken at the asset to improve occupant well-being (e.g. ventilation, natural light, wheelchair access, fire safety)?	1
Biodiversity	Was biodiversity considered during the construction/renovation of the asset (e.g. green spaces)?	1

A maximum of 5 points gained on **Energy & carbon** can count towards the Impact Score



Real Estate

Supporting scoring framework

To drive insight into ESG performance among real estate assets and managers a supporting scoring framework has been integrated into both ESG scoring dimensions. The scoring framework is aligned with leading industry standards, most notably the GRESB framework.

ESG Management

Managers can receive a maximum of 15 points divided over 5 ESG governance dimensions

Theme	Description	Max total points
Reporting	Quality of reporting and monitoring efforts	3
Risk management	Integration of ESG in investment strategy	3
Leadership	Degree of ambition and frontrunning in the industry	4
Policy	Quality of ESG governance documents	2
Stakeholders	Engagement with internal and external stakeholders	3
Total		15

Impact

Real estate assets are individually attributed a maximum of 13 points divided over 5 categories

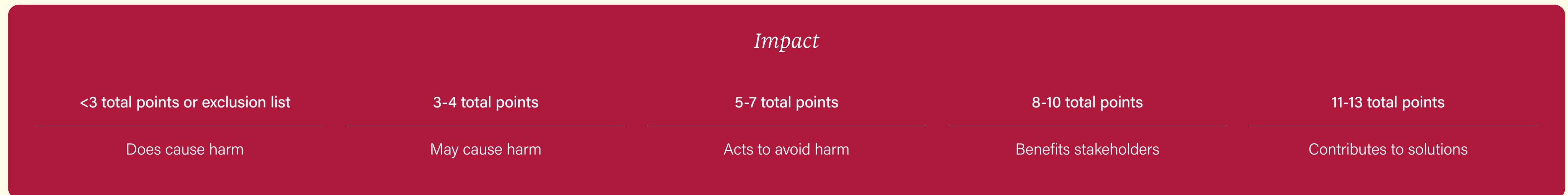
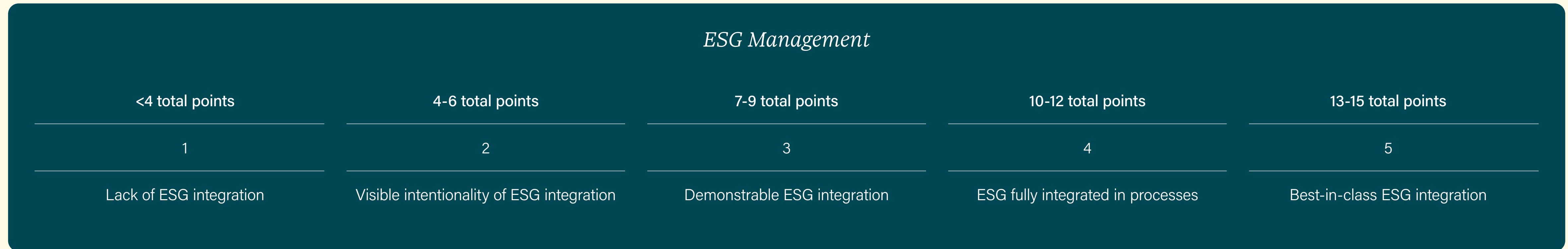
Theme	Description	Max total points
Energy & Carbon	GHG emissions and related initiatives	5
Asset use impact	Asset type and associated ESG effects	2
Circularity	Management of material efficiency, waste and water	3
Occupant well-being	Tenant satisfaction and related initiatives	2
Biodiversity	Impact of asset on local ecosystems	1
Total		13





Real Estate

Supporting ESG management framework





Appendix 2

Explanation of CO₂ emissions calculation and science-based targets

CO₂ emissions from real estate can occur in the construction phase and in the use phase. The total emissions of the real estate portfolio are basically the addition of these two components. However, VP Capital's emission calculations only consider emissions from the use phase.

This is in line with official methodologies such as the Greenhouse Gas Protocol (GHG Protocol) and science-based targets (SBTs). Emissions in the use phase are caused by the use of electricity, gas and any other fossil fuels by building's occupant(s), usually the tenant(s) and any common areas in multi-tenant buildings.

Of course, emissions are attributed to VP Capital in proportion to its equity share and, in the case of purchase or sale, the portion of the year VP Capital has had ownership of the property in question.

Collecting data to determine emissions is sometimes difficult. Preferably, emissions are determined based on the consumption of gas (in m³ or GJ) and grey/green electricity (in kWh). However, sometimes these data are not available because they are known only to the tenant. In these cases, emissions are determined on the basis of an estimate, using the utilisation area of the property (in m²), the function of the building and the building's energy label. Of course, any measures implemented and the degree of energy reduction resulting from them are then also taken into account.

VP Capital remains committed to working with actual consumption data for all properties and, if necessary, retroactively adjusting calculations later. For monitoring progress on science-based targets, a recalculation may mean recalculating the target as well.

Choices made in establishing science-based targets

- 2019 was chosen as the base year; 2030 was chosen as the target year.
- In line with the conditions of the SBTi, our real estate target must apply to at least 67% of the real estate portfolio. This means that when determining emissions per m², the 33% of worst-performing investments (together about 5% of the invested capital) may be disregarded. No selection may be made within a fund investment. Therefore, the entire investment in a fund is either included or excluded.
- Emissions in the construction phase are excluded. These are optional for SBTi.



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